

Date: 24-01-2024

To,  
The Secretary,  
TSERC, 5th Floor, 11-4-660, Singareni Bhavan,  
Red Hills, Hyderabad - 500 004

Dear Sir,

**Sub:-** Submission of comments, objections and suggestions on the proposals of TSSPDCL & TSNDPCL in the matter of determination of Additional Surcharge (AS) to be levied on Open Access (OA) users for the 1<sup>st</sup> half (H1) of FY2024-25- Reg.

**Ref:-** (1) O. P. CASE NO.39/2023 (TSSPDCL) and O. P. CASE NO. 40/2023 (TSNDPCL)

(2) The Electricity (Amendment) Rules, 2024, Dated:10.01.2024

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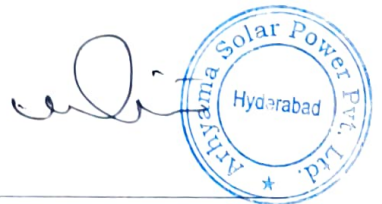
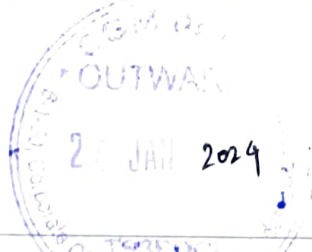
With reference to the public notice, inviting suggestions and objections on the subject proposals, we are submitting the following points for the consideration of Hon'ble Commission. Insofar as the electricity generated from renewable sources of energy is concerned, the provisions of the Electricity Act'03 contained in the preamble, section 61(h), and 81(1)(e) requiring promotion of such sources of energy must be given due consideration.

***It is beyond the general ability to understand how the Utility assets are continuously getting stranded and the damages claimed are in northward in a scenario where OA sales are southward.***

It should be noted that as per NTP 2016 (at Para 8.5.4), the licensees should conclusively demonstrate the assets are stranded because of Open Access Consumption and there should be an unavoidable obligation and incidence to bear fixed costs. However, in case of solar bi-lateral open access, the power plants were given permissions by DISCOMs during 2010-2016 and plants were commissioned during 2012-2017. So DISCOM's were well informed about this solar open access capacity in the state. In addition, as per clause 10.5 of regulation 2 of 2006, generation from solar is a deemed to be scheduled.

The generation assets getting stranded for the licensees could be due to improper power procurement plan of the licensees and due to ad-hoc power purchases on power exchanges by consumers (PXIL or IEX) and not in any way related to the consumers consuming power from solar developers through bi-lateral open access, as this consumption is well known, in advance from must run status of solar renewable energy source, to the utilities as the approval for long term open access was granted only by the very same DISCOMs, and hence they could have made procurement plans accordingly.

Therefore, it is conclusively proved that the stranded capacity was not due to solar bilateral open access transactions. Hence, request the Hon'ble Commission to not impose additional surcharges for all for Solar bi-lateral open access transactions.



As a matter of fact, our submissions on applicability of AS on intra state long term solar open access generators were upheld by the Ministry of Power, Central government through The Electricity (Amendment) Rules, 2024, Dated:10.01.2024. In exercise of the powers conferred by Section 176 of the Electricity Act, 2003 (36 of 2003), the Central Government made The Electricity (Amendment) Rules, 2024, Published in the Gazette on 10.01.2024.

The relevant section of the said rules dealing with "Additional Surcharge" states is extracted below for quick reference of this honorable commission:

**"(22) (3) Additional Surcharge.** - *The additional surcharge levied on any Open Access Consumer shall not be more than the per unit fixed cost of power purchase of the distribution licensee concerned:*

*Provided that for a person availing General Network Access or Open Access, the additional surcharge shall be linearly reduced from the value in the year in which General Network Access or Open Access was granted so that, if it is continued to be availed by this person, the additional surcharge shall get eliminated within four years from the date of grant of General Network Access or Open Access:*

*Provided further that the additional surcharge shall not be applicable for Open Access Consumer to the extent of contract demand being maintained with the distribution licensees:*

*Provided also that the additional surcharge shall be applicable only for the Open Access Consumers who are or have been consumers of the concerned Distribution licensee.*

**Explanation.-** *For the purpose of this rule, General Network Access and Temporary-GNA shall have the same meaning as defined in the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 as amended from time to time."*

That, as per this proviso the "Additional Surcharge" shall not be levied after completion of 4 (four) years from the date of being granted Open Access. It is to submit to this honorable commission that this proviso has the operational effect from the date of their publication in the Official Gazette i.e. from 10-01-2024.

Therefore, in the interest of avoiding the litigations, we pray this honourable commission to give effect to the said provisions in the current AS order.

**(1) To exempt solar projects, where 4 years are lapsed from the date of being first granted open access.**

**(2) To limit the additional surcharge levy on any Open Access Consumer to per the unit fixed cost of power purchase of the distribution licensee concerned.**

For Arhyama Solar Power Private Limited



Authorized Signatory.



**Copy Communicated To:-**

- (1) The CGM (IPC&RAC)/TSSPDCL/Hyderabad
- (2) The CGM(IPC&RAC)/TSNPDC/Warangal